

Council on Postsecondary Education 2006-08 Workforce Development/Transfer Program Guidelines

Introduction

Kentucky's Public Agenda for postsecondary education recognizes the importance of workforce education and transfer from two-year to four-year postsecondary institutions to the economic well-being of its citizens. Specifically, it calls for better preparation of graduates to meet workforce needs through partnerships with business and industry, expanded capacity for student transfer to increase degree production, and increases in student financial aid to support transfer.

The Kentucky Community and Technical College System's Campus Action Plan supports the Public Agenda, focusing on new and improved transfer opportunities through career pathways, ensuring employability skills are incorporated into KCTCS programs, and determining and meeting workforce needs through partnerships with local, regional, and statewide business, industry, and economic development agencies.

The Workforce Development/Transfer Program (WDTP) supports public postsecondary workforce education and transfer initiatives to create a workforce that stimulates business development, creates better jobs and a higher standard of living, and facilitates Kentucky's transition to a knowledge-based economy. The program provides funding for faculty/staff positions, student scholarships, and infrastructure to support workforce education and transfer.

State funds for the program are appropriated to the Postsecondary Workforce Development Trust Fund for the Kentucky Community and Technical College System.

Program Goals

The Council expects program funds to be substantially directed toward supporting workforce education and transfer initiatives that lead to the creation, preservation, or attraction of businesses that will increase the number of good jobs in Kentucky. For these purposes, "good jobs" are defined as jobs that yield income at or above the national per capita income. The fund will increase the number of graduates from KCTCS that are prepared to work in such good jobs.

The Council recognizes the importance of collaboration and encourages use of program funds to promote KCTCS partnerships with business, industry, and four-year institutions that increase degree production and transfer in the science, technology, engineering, and math (STEM) disciplines, health professions, teacher shortage areas, and applied sciences.

The Council recognizes the importance of the KCTCS transfer mission and encourages use of program funds to support initiatives that enhance the transition of students from KCTCS

colleges to four-year institutions. The WDTP will promote transfer through increases in the number of transfer scholarships and improvements in the infrastructure that supports transfer.

The WDTP also should produce increases in sponsored workforce education and training directly attributable to the program and improvement in related student outcome measures (e.g., increased enrollment, retention, graduation, transfer, and employment, especially in high-need workforce areas).

Program Funding

As part of its biennial budget recommendation to the Governor, the Council on Postsecondary Education recommended \$500,000 of nonrecurring funds for the Workforce Development/Transfer Program in the first year of the 2006-08 biennium and \$3.5 million of recurring funds for the program in the second year. During the 2006 legislative session, the General Assembly appropriated \$300,000 of nonrecurring funds to the program in 2006-07 and \$1.2 million in recurring funds in 2007-08. These funds will be divided into two pools pending distribution: (a) endowment and (b) workforce development/transfer.

The endowment pool will support faculty positions, scholarships, and program initiatives that contribute to workforce development in high-need areas and transfer of students to baccalaureate degree programs in areas of strategic benefit to the Commonwealth. The size of the pool will be \$300,000 in the first year of the biennium, which will be matched dollar-for-dollar by KCTCS with funds raised from private sources. Endowment pool funds will be distributed upon submission and approval of funding requests that meet guideline requirements for the program. These funds will be nonrecurring to the institution, but will be added, along with matching private-source funds, to the endowment of the institution to provide a perpetual source of funding for workforce development and transfer initiatives. Any endowment pool funds not distributed by the end of the biennium (i.e., close of business Monday, June 30, 2008) will be carried forward in the trust fund until guideline requirements have been satisfied and the funds are matched.

The workforce development/transfer pool will support KCTCS efforts to build workforce development and transfer programs in areas of demonstrated workforce need. The size of the pool will be \$1.2 million in the second year of the biennium. These funds will be distributed to KCTCS upon submission and approval of a plan to align institutional priorities, resources, and infrastructure to support workforce education and transfer activities in disciplines of strategic benefit to the Commonwealth or in areas of student need as identified in the CPE affordability study. At least 25 percent of the pool (or \$300,000) will fund scholarships that support associate degree completion and transfer of baccalaureate degree-seeking KCTCS associate degree completers to Kentucky public and independent colleges. To qualify for these funds, KCTCS should submit a one-time plan to the Council by close of business June 1, 2007. It is anticipated that, in subsequent biennia, these funds will become recurring to the institution, rather than to the Workforce Development/Transfer Program. Any workforce development/transfer pool funds not distributed by the end of the biennium (i.e., close of business Monday, June 30, 2008) will be carried forward in the trust fund until guideline requirements have been satisfied and the funds are distributed.

Matching Requirements

In order to receive endowment pool funds, KCTCS must provide dollar-for-dollar matching funds that satisfy the following requirements:

- Gifts and pledges must be newly generated to be eligible for state match. Newly generated contributions are those received by KCTCS after June 1, 2006.
- Gifts and pledges must be from external sources to be eligible for state match. External source contributions are those that originate outside KCTCS or one of its recognized foundations. Eligible sources of funding include, but are not limited to, businesses, non-governmental foundations, hospitals, corporations, and alumni or other individuals.
- The following sources of funding are not eligible for state match:
 - (a) Funds received from federal, state, and local government sources.
 - (b) General Fund and student-derived revenues (e.g., state appropriations, tuition and fees revenue).
 - (c) Funds received from an affiliated KCTCS entity or fund.
 - (d) Funds directed through a nonaffiliated university entity or fund with an origin in conflict with items (a), (b), or (c) above.
- The minimum institutional request amount is \$50,000. KCTCS may combine smaller donations from businesses, nongovernmental foundations, hospitals, corporations, and alumni or other individuals to meet the \$50,000 minimum.
- All funds, both state and private, must be endowed. "Endowed" means only the investment earnings are eligible for expenditure, not the principal.
- Requests for state funds must identify the matching funds that are cash and the matching funds that are pledges.
- Pledges, or promises of future payment, are eligible for state match provided they are based on a written contract or agreement and include a payment schedule, which does not exceed five years from the initial pledge date. Pledge payment schedules showing receipts to date and scheduled future payments are to be included in the audited financial statements of either the institution or the foundation.
- If pledged funds are not received within five years of the initial pledge date, KCTCS must replace the portion of private funds not received with another eligible cash gift or the unmatched portion of the state funds plus an allowance for accrued interest will revert to the trust fund for reallocation. In such cases, a timeframe for the replacement or return of state funds will be negotiated between Council staff and institutional representatives.
- KCTCS officials must notify the Council staff of unpaid pledges six months before the end of the five-year deadline or immediately when a gift has been revoked.

Uses of Program Funds

As described in the Program Funding section above, Workforce Development/Transfer Program funds will be divided into two pools pending allocation and distribution.

Endowment Pool - The endowment pool will be matched with private source funds and added to the KCTCS endowment, where it will provide a perpetual source of funding for workforce development and transfer initiatives. Investment earnings from the endowments will support faculty positions, scholarships, infrastructure, and program initiatives that contribute to workforce development in high-need areas and transfer of students to baccalaureate degree programs in areas of strategic benefit to the Commonwealth.

- **Faculty Positions:** New faculty positions, salary supplements to existing faculty positions, and associated expenses for those positions, including start-up costs, salaries, benefits, travel, and other professional expenses as permitted by KCTCS policy.
- **Scholarships:** Scholarships funded with endowment proceeds will: (1) support undergraduate student completion of KCTCS programs; (2) support transfer of KCTCS associate degree completers to baccalaureate degree programs in career pathways and STEM related disciplines, as well as, in disciplines contained within five new economy clusters identified by the Cabinet for Economic Development as being key to economic development in Kentucky (i.e., Human Health and Development, Biosciences, Materials Science and Advanced Manufacturing, Information Technologies and Communications, Environmental and Energy Technologies); or (3) provide financial aid in areas of student need as identified in the CPE affordability study.
- **Infrastructure:** Expenditures for minor classroom or training facility renovations, faculty start-up packages, equipment and supplies that are directly linked to workforce education and training activities of program faculty, including core workforce training room improvements, equipment upgrades, instruments and supplies, and other workforce education related expenses as permitted by KCTCS policy.

Workforce Development/Transfer Pool - Workforce development/transfer pool funds will be used to develop and maintain organizational structures, personnel, and information systems necessary to sustain viable workforce development and transfer programs in areas of demonstrated workforce need. Pool funds will also support associate degree completion and transfer of baccalaureate degree-seeking KCTCS associate degree completers to Kentucky public and independent colleges, especially for students transferring into STEM disciplines, as identified in the Council's Key Indicator Accountability System, and then to other high-need workforce areas. Appropriate uses for these funds include scholarships that support associate degree completion and transfer, expenditures for workforce education, or transfer program faculty salaries, benefits, and related operating expenses. These funds should not be used to support capital outlay or debt service expenditures.

- **Scholarships:** Twenty-five percent of this pool (or \$300,000) will be used to provide scholarships that support associate degree completion and transfer of baccalaureate degree seeking KCTCS associate degree completers. It is intended that a majority of scholarship funds will support the transfer function directly related to the needs of the system as identified by the affordability study and transfer study. These funds should supplement, and not supplant, funding for existing financial aid programs. The

Council will assess the effectiveness of the program through regular reports of the number and percentage of scholarship recipients receiving baccalaureate degrees.

- **Faculty Positions (or Staff):** Salaries, benefits, and other personnel related expenses associated with new faculty (or staff) positions that increase the institution's capacity to produce associate degree and certificate holders in demonstrated areas of workforce need in Kentucky, or that facilitate successful transfer of students to baccalaureate degree programs in the science, technology, engineering, and math (STEM) disciplines, health professions, teacher shortage areas, and applied sciences.
- **Related Operating Expenses:** Expenditures for program and operating expenses that are directly linked to workforce education and transfer activities, including but not limited to the following: (1) education and training materials, media, and equipment that enhance KCTCS capability in workforce education and transfer; (2) development of online programs that promote transfer, transfer of credits, and student enrollment and completion of certificates and degrees in high-need areas; (3) funding for visiting professors and instructors, lecture series, demonstration projects, and faculty exchange that support workforce education and transfer in priority areas; (4) workshops for KCTCS faculty and staff including activities of the Council's Go Higher Kentucky Campaign targeting increased transfer; and (5) expenditures for the dissemination of information and best practices in workforce education and transfer programs (for example, nationally prominent publications and presentations at conferences, symposiums, seminars, or workshops for KCTCS faculty/staff). Expenditures for general personnel expenses that are not directly linked to workforce education or transfer programs do not qualify as infrastructure support activities.

Use of Funds Requirements

- All endowment pool and matching private funds must be endowed for the purpose of supporting student scholarships, faculty or staff positions, operating expenses, or infrastructure that are directly linked to workforce education or transfer program activities in areas of strategic benefit to the Commonwealth.
- Program funds cannot be used for positions which are primarily administrative. However, professors in workforce education and training programs who may have an appointment such as department chair, center director, or dean are eligible.
- Program funds cannot be used to fund capital construction projects.
- Program funds should supplement, rather than supplant, current KCTCS funding for workforce development and transfer programs.

Annual Reporting

The Council staff, working with KCTCS, will devise and maintain reporting procedures that specify the content and format of WDTP annual reports. The reports will include accountability for outcomes that support campus action plans contained within the 2005-2010 Public Agenda.